



MEMO

To: Lea Dunn, City Manager
From: Eric Cannon, CPA, Chief Financial Officer
Re: Financial Update
Date: December 4, 2014

An important part of our on-going efforts to evaluate the Town's current policies and procedures include keeping Council informed of the progress being made in the areas noted below.

Attached you will find a document outlining the control environment as it relates to the COSO framework. This is a Town document that allows both financial and non-financial readers the ability to visualize our controls that are in place and items that are to be implemented, and includes anticipated timelines.

COSO Model: Risk Assessment

Inventory/Fixed Assets – The Town recently completed the solicitation process for a qualified vendor to perform a count of its Property & Equipment that is sensitive in nature. Once a vendor has been selected, we will meet with the successful bidder to finalize their responsibility and identify the required time commitments of Town resources. This contract will be brought to Council for approval and appropriation of the funding.

Municipal Court— The Finance and Municipal Court departments are working together to review court processes and implement procedures that better segregate duties and are implementing various mitigating controls in keeping with best practices.

COSO Model: Control Activities

Payroll Processing – The Town has solicited quotes from ADP for a variety of services ranging from 100% utilization of their services to solely the processing component. We are in the process of evaluating all options available and will provide a recommendation to Council in early 2015. We have also revamped the payroll processing by segregating duties and implementing various mitigating controls in keeping with best practices.

Cash Receipting –We are analyzing the feasibility of courier/cash box services at various Town facilities. Also, we have begun the process with Frost Bank of implementing remote deposit technology. Our plan is to have this technology implemented at all viable locations in Town.

COSO Model: Information & Communication

Whistleblower Service–Staff has contacted several companies that specialize in providing this service to an organization. Once we have completed the evaluation process, we will be bringing a recommendation to Council for the approval necessary to authorize the contract, as well as the consequent funding needed for its execution.

Continuing Education Program – The Finance Department has created a program that provides training opportunities to a variety of employees throughout the organization regarding various topics. These topics will be determined based on feedback or request by Town staff or at Management’s direction. However, it is our intention to have these topics determined or identified as a part of the Town’s overall risk assessment.

COSO Model: Monitoring

Procurement Card (P-Card) – Currently, Staff is working with Gradient Solutions to implement the purchase card monitoring software that was approved by Council in September. This process is part of continuous monitoring, which is a key component of the COSO framework.